

Kenya APHIA Financing and Sustainability Project Health Facility Guidelines: "Determining a Client's Ability to Pay"

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GUIDELINES

“DETERMINING ABILITY TO PAY”

I. INTRODUCTION

This document provides guidelines to MoH health facilities about information that may be feasible to obtain from people/clients applying for ***waivers***, and how that information might be used to help determine who is able to pay.

There are no hard and fast rules to determine whether or not a client cannot pay and therefore the ultimate decision is left to the judgement of the staff of the health facility. The sum total of the different sources of information gathered from the patient, community leaders, and considerable judgement of the person deciding on a waiver should be combined to determine whether a waiver is granted. Since no one factor alone will determine whether a fee is waived, it is hoped that individuals will be less able to get waivers by giving false statements.

The information gathered and whether written records are retained should be left up to the individual health facility. For rural health centers, in which a majority of the clients/patients is known personally to the staff, a formal waiver mechanism may not be needed. For outpatient and inpatient services in government hospitals more careful record keeping may be desirable. Since charges levied on patients are much higher for inpatient care, further efforts to ensure access and collect fees may be appropriate.

II. AN ADMINISTRATIVE MECHANISM

This section describes a suggested formal mechanism for assessing ability to pay that might be used by a hospital for assessing ability to pay for both outpatient and inpatient services.

1. The clerk responsible for collecting fees should be a different person from the person determining ability to pay. This is necessary to avoid queues for paying fees. At the hospital outpatient department the nursing officer could be the one to decide on waivers. When a patient claims inability to pay he/she is referred by the clerk to the person designated to grant waivers. This person could be called the “waiver officer/social worker” for the rest of this document.
2. The waiver officer first checks his/her records to see if the patient applying for a waiver has applied in the past. If no application is on file then the waiver officer completes a new application by interviewing the patient or using information available from the patient's medical record/card, if available.
3. Once the waiver application form is completed the waiver officer will assess all the available information and decide on whether the patient should be waived in total or in part.
 - 3.1 If the decision is to waive all charges, an “exempt” stamp will be attached to the patient's medical record/card and stamped with the date. Showing that patient card at the hospital facilities will entitle the patient to free care for one month from the date on the stamp. However, the patient will be informed that he/she will not receive another waiver at the hospital without a note from an authority (local authority, community leader, pastor, etc. ... to be specified by hospital). The fact that the patient was exempt will be recorded and the form will be filed.
 - 3.2 If, based on the information gathered, the decision of the waiver officer may be to waive “in part” the total fees charged, thereby granting a partial waiver, say for example 50%.
 - 3.3 If, the decision is not to waive, a “not exempt” stamp will be used on the application, dated, and it will be filed. The patient will be told that he/she can appeal the decision by bringing more information such as a letter from a community leader that confirms his/her inability to pay.

4. If a person applying for a waiver has a waiver application already on record that is not more than 3 months old, and the previous application was accepted, the current application will be accepted for waiver.
5. If the waiver application on file is more than 3 months old then the application for waiver form will be updated by requiring a current letter from a local authority confirming his/her inability to pay. (see 3.2)
6. The hospital administrator, the head accountant, and the waiver officer will meet at least monthly to review the number of waivers granted and to revise this procedure and the criteria for waiving as necessary.

III. PATIENT APPLICATION FOR WAIVER

NAME:

ADDRESS:

Location

Village/Area

Street, if available

BOX No.:

TELEPHONE No.:

AGE:

SEX:

MARRIED/NOT MARRIED:

OCCUPATION of Husband/Self/Father:

EDUCATION:

NAME and TYPE of EMPLOYER:

OCCUPATION of Wife/Self/Mother:

EDUCATION:

NAME and TYPE of EMPLOYER:

Next Closest Relative:

NAME

ADDRESS

TELEPHONE No.

Name of community leader, pastor, priest, and other- that can certify inability to pay:

NAME:

Title or Position:

ADDRESS:

TELEPHONE No.:

NUMBER of CHILDREN:

How Many Children are less than 12years:

How Many Children are in school:

HOW DID YOU GET HERE TODAY?

DO YOU SMOKE?

IS THE APPLICANT WEARING SHOES?

PHYSICAL APPEARANCE OF THE APPLICANT:

DOES THE APPLICANT HAVE A PHYSICAL DISABILITY?

The following should be obtained from the patient's health card or medical record: Previous application for waiver on file? Accepted or Denied? Days in hospital during last 6 months?

IV. CRITERIA FOR DETERMINING ABILITY TO PAY

1. **Address of the patient:** Some addresses may be known to be in locations where people are poor.
2. **Age:** Very old people may be less able to pay because they are less likely to be employed. They are more likely to have poor health or be disabled which leads to less ability to earn income and more likely to have high health care costs.
3. **Sex:** When combined with other information may be useful.
4. **Married/Not Married:** A single female with many children is less likely to be able to pay. A married person is more likely to have two people working and thus is more likely to be able to pay.
5. **Occupation of husband or wife:** If this information is given correctly by the applicant it tells a lot about ability to pay. For example, certain categories of occupations should always be required to pay such as civil servants, teachers, health care workers, etc. Verification of NHIF insurance is very important at this point in the application process. The fact that the husband or wife even has an occupation, even though it may be very informal, indicates some income earning potential. If a person is unemployed it indicates that he/she may not be able to pay. There is a lot of potential for giving false answers here and thus the answer to this question alone should not be the only criteria for waiving.
6. **Education of husband/wife/self/parents:** People above a certain level of education are assumed to have some income earning potential and thus should be able to pay. For example, all families in which either the husband or wife has at least a high school education should be able to pay. A low level of education indicates an inability to pay, but is not in and of itself sufficient to waive fees because of the potential for giving false information, and the fact that not all uneducated people are poor.
7. **Employer of husband/wife/self/parents:** The income and employment status of an individual can be verified with the employer. If appropriate, the employer's address can be collected. The fact that an employer may be contacted is an incentive not to give false information or apply for a waiver if it is not justified. The fact that neither a husband nor wife has an employer is not sufficient to determine whether or not a person is able to pay.
8. **Name and address of next closest relative:** This gives an additional source for verifying ability to pay. Although the individual may not be able to pay, one may be able to verify with the community leader whether or not the next closest relative may be able to pay.
9. **Name and address of community leader who is certifying inability to pay:** Everyone should be able to provide the name of some community leader (i.e., religious figure, local government official, school head, etc.) who can be contacted to confirm inability to pay. If an applicant gives a false name or the name of someone who is not a community leader (such as a relative) this would be found out if the waiver officer tried to contact that person. Although the waiver officer will not contact all the names given by the applicant, each month a few of the names will be contacted. The possibility that a community leader may be contacted should help to deter the applicant from giving false information about income, employment, and number of children, etc.
10. **Number of children:** Applicants with large families are less likely to be able to pay. Again this should be combined with other information such as whether or not the applicant is married, unemployed, the age of children, etc.

11. **Ages of children:** Children under 12 years are likely to be in school, or at least not generating income. Having children of this age implies certain financial obligations, which may reduce one's ability to pay for health care services.
12. **Number of children in school:** This should be compared to the age of the children. If the person has school age children who are in school this implies some ability to pay. If an applicant has school age children who are not in school this perhaps indicates an inability to pay, although again one must be aware of the potential to give false statements.
13. **How did you get here?** Certain answers such as, "I drove my car" or "I came in my brother's car" indicates an ability to pay. If an applicant says that they walked, this should be compared with their home address to determine how far they walked. The fact that a person walked a long distance suggests an inability to pay.
14. **Do you smoke?** A person that can afford to smoke should be able to pay.
15. **Is the person wearing shoes?** The absence of shoes may be a signal of a poor ability to pay. The condition of the shoes may be another signal.
16. **What is the physical appearance of the person?** Again this may not always be a reliable indicator, but it can be useful. In some cases you may be able to detect those affluent enough to pay. If the person or any of the accompanying children show signs of malnutrition, this is a clear signal of an inability to pay.
17. **Number of outpatient visits in last 6 months:** Many visits indicates that the patient has been ill and thus may not have been able to earn as much income or may have incurred high health care costs. Both of these factors may indicate an inability to pay.
18. **Number of inpatient days in the hospital in last 6 months:** This is similar to the above and indicates that a person has had high health care costs in the recent past. The person may also have lost income due to a hospitalization and thus be less able to pay.
19. **Other health information:** This could include any disabilities described by the patient and verified by the waiver officer. It might include other medical indications of malnutrition that are not obvious by inspection. It could also include excessive expenditures on health care services due to illness of another family member. The patient would have to verify this by showing hospital receipts or the health cards of the other family members.

V. COLLECTION STRATEGIES

1. Tell the applicant that you will be giving their name to the community leader(s) that they have mentioned as well as others, and that you will encourage that community leader to request “Harambee” donations at some future date when the person is more able to pay. This may encourage the applicant to pay the fees now.
2. For inpatient charges it may be worthwhile to send someone to the patient’s village, both to inquire about the patient’s ability to pay, and to identify other people that may be able to help the person pay. One should speak to the patient’s visitors as well. After discharge, assigning someone to visit the patient’s village in order to collect fees that are still unpaid will probably be desirable.
3. For inpatients it may be possible to ask the person to leave an identity card or some other valuable item with the hospital (to be stored in a very safe place and receipted) and kept until the patient has been discharged. This will discourage patients from (absconding) leaving without paying, as well as give the hospital some bargaining power over the patient.
4. The hospital should develop its own list of village chiefs and other community leaders that it should keep on file. Over time, village leaders that provide too many letters requesting waivers should be identified, and perhaps consulted with to change their practice. Any community leaders found to be charging for waiver letters should be reported to the appropriate officials. Patients providing names of community leaders that are not on the hospital’s list should be questioned.
5. For medical services that are not medically necessary, but which may still be desired by the patient, e.g., many laboratory investigations, the hospital is in a good position to deny these services unless the patient pays in advance.
6. For inpatients a record of the number of visitors and their appearance is a useful indication of ability to pay. If possible, their names and addresses should also be gathered in order to increase the number of people to contact and request payment from.
